

Information Notice

Extension of Current Rate for Fees Paid Under Section 31 of the Exchange Act

Executive Summary

Since October 1, 2010, the SEC has been operating under a continuing resolution for fiscal year 2011. As such, the Section 31 rate applicable to specified securities transactions on the exchanges and in the over-the-counter market will remain at \$16.90 per million dollars until the SEC's regular fiscal budget is approved and firms are advised of the final date for implementing a rate change.

Finance-related questions should be directed to:

- Sheila Gregory, Accounting Manager, Finance, at (240) 386-5388.

Legal and interpretive questions should be directed to:

- Kathleen O'Mara, Associate General Counsel, Office of Oversight Liaison and Counsel, at (240) 386-5309 or
- Brant Brown, Associate General Counsel, Office of General Counsel, at (202) 728-6927.

Background and Discussion

As announced by the Securities and Exchange Commission (SEC) in Fee Rate Advisory #3 for Fiscal Year (FY) 2011, the SEC has been operating under a continuing resolution since the start of FY 2011 on October 1, 2010. The Fee Rate Advisory specifies that the fee paid under Section 31 of the Securities Exchange Act of 1934 (Exchange Act) will remain at the current rate of \$16.90 per million.

December 14, 2010

Suggested Routing

- Compliance
- Legal
- Trading

Key Topic

- Section 31 Fee

Referenced Rules & Notices

- Section 3 of Schedule A to the By-Laws
- Section 31 of the Securities Exchange Act of 1934

However, as the SEC has announced, 30 days after the date of enactment of its regular fiscal year 2011 appropriation, the rate for the Section 31 fee will increase from \$16.90 per million to \$19.20 per million. FINRA will notify firms through an *Information Notice* when the SEC's regular appropriation has been enacted and a final date has been determined for implementing the rate change to \$19.20 per million.

FINRA obtains its Section 31 fees from member firms, in accordance with Section 3 of Schedule A to the By-Laws. Section 3 specifies that the amount assessed on firms will be determined periodically in accordance with Section 31 of the Exchange Act.

A copy of the SEC's October 1, 2010, order regarding fee rates for FY 2011 is available at <http://www.sec.gov/rules/other/2010/33-9122.pdf>.